FOREIGN AGRICULTURE

March 1960

Easter Lilies in Bermuda

Beauty from Abroad
A Year of Convertibility
The New Look in Tropical Africa

UNITED STATES DEPARTMENT OF AGRICULTURE · FOREIGN AGRICULTURAL SERVICE

To report and interpret world agricultural developments

FOREIGN AGRICULTURE

Vol. XXIV · No. 3

March 1960

Internotionol Horticultural Exhibition

Agricultural commerce is largely concerned with utility—but, fortunately, not entirely. As our lead article indicates, the world market finds room for brisk trade in plants and flowers, right along with its transactions in cotton, wheat, tobacco, and other volume commodities.

The world's interest in producing, trading, and enjoying horticultural products is being observed this year in an International Horticultural Exhibition, the "Floriade," to be held in the Netherlands, beginning the 25th of this month and continuing into the autumn. Many nations will be taking part, including the United States.

The Netherlands is an appropriate host to such an exhibition for it is the world's leading exporter of horticultural products, including flowers, bulbs, and nursery products. The year 1960 has special significance to the Dutch people for it marks the 400th anniversary of the great Dutch tulip industry.

The Floriade will be staged in the city of Rotterdam on a site covering 125 acres. The Netherlands Government and industrial concerns are spending a reported $4 million in preparing grounds and facilities. The exhibition is expected to be a big tourist attraction.

The U.S. exhibit will be built around a typical suburban home. Landscaping will be changed periodically, both to show how Americans dress up the exteriors of their houses and to indicate the progressive nature of the horticultural industry. We will report in greater detail on this exhibit in the May issue.

Contents

Cover Photo

Tourists gother Eoster lilies in Bermudo. Every spring the countryside of this 22-mile-long islond is covered with fields of the beoutiful, snow-white flowers, which ot Eostertime ore oir-expressed to points oll over the world. (See story on poge 3.)

Foreign Agriculture is published monthly by the Foreign Agricultural Service, U. S. Dept. of Agriculture, Wash. 25, D. C. Use of funds for printing this publication hos been approved by the Director of the Bureau of the Budget (Sept. 4, 1959). Yeorly subscription rate is $1.75, domestic, $2.50, foreign; single copies are 15 cents. Orders should be sent to Supt. of Documents, Government Printing Office, Wash. 25, D. C.

The "Floriade," Holland's first international horticultural exhibition, opens this month in Rotterdam to run for 6 months. Horticulture forms but a small part of the world's agricultural trade but this trade has wide geographic scope. The United States, as the following article shows, buys plants and flowers all over the world.

By Ralph W. Sherman
Plant Quarantine Division
Agricultural Research Service, USDA

BEAUTY FROM ABROAD

Each spring the thousands of tourists who view Washington's flowering cherry trees are reminded of the generous gift from Japan that made possible this spectacular display. Many other bulbs, flowers, and ornamentals have also come to us as heritages from abroad, but they have been here so long and have changed so much that today they seem indigenous, part of our native flora.

The garden flowers and plants native to the United States are actually few in number. Asters, lupines, clarkia, gentians, along with Texas annual phlox, California poppy, and blanket flower, are all natives of our Western States. From the Eastern States have come Michaelmas daisies, wild bergamot, and summer perennial phlox, while the Southern Appalachians are responsible for the catawba, rhododendron, and flame azalea. But other than these relatively few native species, most of our ornamentals originated outside our borders.

Worldwide Interchange

In a U.S. garden one might find Japanese azaleas, Chinese rhododendrons and camellias, and Turkish tulips. Other plantings might include hibiscus from Cathay, South African gerbera, Argentine petunias, and a wealth of bright Mexican dahlias and zinnias. The marigolds in the beds might have come from Mexico, too, many years ago, via Spain and the monastery gardens of France and Africa.

Many potted plants have foreign origin—Mexican poinsettias and African violets, for example. Even our most popular greenhouse-grown flowers are from widespread parts of the world: roses of medieval European and East Asian origin; chrysanthemums from China, snapdragons from Italy, calla lilies from Africa, and many more.

Packing fresh orchids for air shipment from Australia to the U.S. At top, blooms are inspected for disease before leaving country.

U.S. plant inspector at Hoboken inspection station examines chincherinchee, or Star of Bethlehem, sent from South Africa.

Planting tulip bulbs in the Netherlonds. Most of our tulip bulbs come from there but few people reolize thot the United States alsa ships bulbs to the Netherlonds.

Little Dutch girl in troditional costume poses in a big field of golden daffodils.

The formal exchange of plant materials got under way in 1898 with the organization of USDA's Plant Introduction Section. Prior to that date plant explorers, world travelers, and our consular representatives abroad had brought back exotic plants to glorify American gardens. Ballast from foreign ships dumped on our shores undoubtedly contributed to many plant stowaways. And in years past, immigrants were noted for their nostalgic habit of bringing with them cuttings, seeds, and even plants from their homeland.

Today, if we were to spot on a world map the countries from which we still import nursery, ornamental, and florist stock, we would probably find that the geographic spread exceeds that of most articles of international trade. This horticultural trade, stabilized at around $14 million a year, is rather infinitesimal when compared with our overall agricultural imports — only about one-third of 1 percent; nevertheless, our imports of nursery and greenhouse stock constitute important sources of U.S. dollars to the exporting countries.

What We Buy

Our largest imports of plant material come, as one would suspect, from the Netherlands, Belgium, the United Kingdom, and Japan. The Netherlands supplies practically all of our imports of tulip, hyacinth, and narcissus bulbs, and crocus corms; about three-fourths of our gladiolus bulbs; and a little less than half of our imported lily bulbs. The Netherlands also provides two-thirds of the rather limited importations of other bulbs, roots, root stocks, clumps, and corms, with Japan and Belgium supplying the remaining third. Dutch growers ship a large share of the grafted and budded plants that we buy abroad, while the rest are from Canada, Japan, and West Germany. Together, Dutch and Canadian nurserymen furnish most of our imported rose stocks and plants.

Japan is an important source of both tulip and lily bulbs. Canada supplies the bulk of our imports of fruit stock cuttings and seedlings, and Great Britain most of our imported orchid plants.

Sixteen countries shipped cut flowers and foliage to the United States in 1958, at an estimated value of $147,000. Surprisingly, the largest supplier was the farthest away. In 1958, we bought $40,000 worth of orchids from Australia, shipped by air from New South Wales and Queensland. West Germany, ranked second, with flower imports valued at $28,000—mostly early Easter buds, but also some dried flowers. Bermuda was third in 1958 and the Union of South Africa, fourth. Both account for our holiday flowers, Bermuda for our Easter lilies and South Africa for the long-lasting chincherinchee, which sells here at Christmastime under the name, Star of Bethlehem. Cut flowers and foliage also come from France, Mexico, East Germany, Hungary, Brazil, Israel, and as far distant as Taiwan.

What We Sell

The United States is also an exporter of nursery and floral stock, but the value of our exports—around $5 million a year—is only 37 percent of what we import. These form but a small part of our agricultural exports, but for U.S. nurserymen, as for foreign growers, these markets abroad provide important outlets.

Most of our exports of bulbs, corms, pips, tubers, rhizomes, and roots are

(Continued on page 16)

By Elton G. Nelson

Above, harvesting sugarcone in Cuba. Right, picking and shipping fresh pineopples. Both crops are importont to U.S.

Agrarian Revolution in Cuba

Ever since Columbus discovered tobacco growing in Cuba on his first voyage to America, agriculture has been the mainstay of the Cuban economy. Today sugar accounts for about 90 percent of all Cuba's exports and one-third of the national income of the country. These exports have provided the foreign exchange for bringing in large quantities of rice, lard, wheat and flour, cotton, dried beans, and other farm products that are needed to supplement Cuban production.

Through the dependence on sugar and the necessity for large-scale production methods, much of the Cuban land area has become concentrated in latifundiums (large landholdings). According to the last (1946) Cuban Agricultural Census, large farms of 247 acres and up represented 8 percent of the total farms and 71 percent of the total farmland. Many of these, possibly as high as 25 percent, have been owned or controlled by American interests.

The need for some type of agrarian reform and also for diversification of Cuban agriculture has been discussed for many years. Only about 30 percent of the farm operators have title to the land; the rest are administrators, renters, subrenters, sharecroppers, or squatters. Some of the large estates admittedly have had more land than they could use, and the total land area of the country has never been cultivated to its maximum capacity. Large landholdings, such as those of the sugar companies, paid good wages but only for 4 to 7 months of work; consequently, there has been a need for diversification to provide income during the "dead" season.

The Cuban Constitution of 1940 established a legal basis for land reform. It permitted the fixing by law of the maximum amount of land to be held by a person or entity, and stated that means shall be taken to "restrictively limit the acquisition and possession of land by foreign persons and companies and . . . to revert the land to Cubans." Public indemnity prior to land expropriation was specifically provided, but little action was forthcoming; and up until this year there were only about five cases on record where estates had been expropriated by the Cuban Government.

Public sentiment was ready for agrarian reform, and action came quickly on January 1, 1959, with the advent of Fidel Castro's Revolutionary Government. Landholdings of those associated with the Batista regime were almost immediately confiscated. This had been expected but few outside of the Revolutionary Government had anticipated some of the extreme measures that were to follow

Agrarian Reform Law

Under the National Agrarian Reform Law of May 17, 1959, the absentee landowners whose holdings are operated by tenants may not retain any of such holdings. Individual persons who own a sugar mill or hold stock or are officers of sugar manufacturing corporations are prevented from cultivating sugarcane, and their land may be intervened and redistributed. Those operating sugar, cattle, and rice lands are limited to 30 caballerías (about 1,000 acres) un-

less certain production norms are met. A landowner meeting these production norms could legally retain as much as 100 caballerías (about 3,300 acres), but the government, through the National Institute of Agrarian Reform (INRA), retains the right of final authority in determining what lands will be expropriated and distributed.

(INRA is designed as an autonomous government entity, with independent juridical capacity and almost supreme authority for handling all matters pertaining to agrarian reform, agricultural production, credit, commerce, and trade.)

Furthermore, rural property in the future can only be acquired by Cuban citizens or cooperatives formed by Cuban citizens. The lands which foreigners are allowed to retain, with the exception of those on the Isle of Pines, are not subject to hereditary succession and upon the death of the present owners will be considered subject to condemnation by INRA for purposes of agrarian reform.

An area of 2 caballerías (about 66 acres) is established as the vital minimum for a peasant family of five persons engaged in agricultural production, the exact amount of land for each farm family to be determined by INRA. According to the law, the minimum amount of land needed would then be adjudicated free of charge to those who cultivated it.

The law also states that, whenever possible, the INRA shall organize agrarian cooperatives, these to be under the complete direction of INRA so as to assure "their correct development during the initial stage of this kind of economic and social organization, until such time as greater independence is granted by law."

Redistribution of Land

According to estimates of the Revolutionary Government at the time the Agrarian Reform Law went into effect, there were about 12.7 million acres, or more than half of the total land area of the country, in the possession of 1,423 landowners. INRA is said to have plans to expropriate and distribute 8.3 million acres of this to between 100,000 and 150,000 tenants, sharecroppers, squatters, and itinerant and permanent workers. In addition, it is stated, INRA plans to distribute nearly 4 million acres of state-owned land, or a grand total of more than 12 million acres.

The sugar industry makes up by far the largest single group of large landowners. Of the 161 sugar centrals in the country, 31 are American-owned, producing about 35 percent of the total Cuban sugar crop. Under the planned expropriation of sugar lands, which is expected to start not later than the harvesting of the 1960 crop, these landowners may lose 1.8 million acres valued at $120 million. To this must be added the interventions, many of which have already taken place, of cattle ranches and other agricultural operations owned or controlled by American interests.

On December 3, 1959, INRA Executive Director Núñez Jiménez reported on the first 6 months of INRA operations. During that period, he stated, INRA has occupied a total of 452 fincas (plantations) covering an area of about 2,176,500 acres, and has organized 485 agricultural cooperatives and 452 people's stores. These are said to include stolen state properties recovered from people associated with the Batista administration; and some of the total interventions, cooperatives, and stores may be those that are in the planning stage.

Reform Moving Fast

Interventions by INRA are taking place faster than many had anticipated. Currently, there is intense activity in the Provinces, with large numbers of workers being employed by INRA in clearing land and planting and cultivating a wide variety of crops. New Cuban crops, such as soybeans, milo, and cotton, are being planted in hopes of diversifying the agriculture of the country and conserving the expenditure of dollar exchange. Such a vast agricultural project requires large amounts of capital, and it is reported that INRA is now having to pay workers in some cooperatives with credit slips in lieu of cash. The government claims this is merely a temporary situation until money comes in from the new crops, and that INRA is about to receive up to $100 million worth of credit from several European countries.

Early in December, INRA presented land titles of amounts up to two caballerías each to a number of Cuban farm workers, but most of the intervened land to date has been given to state cooperatives. In all cases, INRA retains final authority as to the use of these lands. "Any practice contrary to the purposes of this Law, or the abandonment or negligent use of the lands granted pursuant to its terms may be punished by the National Agrarian Reform Institute by declaring the transfer thereof free of charge to be rescinded and ordering the return thereof to the land reserve."

Public housing is being erected at some of the cooperatives and "people's stores" are being established, reportedly operating on a low 10-percent markup that may eventually eliminate many of the privately owned country stores. The agricultural cooperatives have been organized by the government, with INRA appointing the manager, determining the wages, the crops, and how they will be produced. Election of officers and policy control of each cooperative by members are said to be planned for some time in the future.

American landowners, although not questioning the need for some form of land reform, are disturbed about the "arbitrary methods" used in many interventions (seizure, allegedly as a preliminary step prior to expropriation and payment in bonds) and the lack of a clear avenue of recourse to the courts of the country. They feel that the method of valuation provided by the Agrarian Reform Law has relationship neither to actual market values nor to the taxes paid which for many years have been based on earnings. They object to payment in 20-year peso bonds whose negotiability except at a substantial discount is believed limited. In the case of cattle ranches, the farm buildings as well as cattle are often intervened, thus leaving the landowner with an uneconomic unit that may eventually force him out of production.

Chance of Success

The success or failure of the

(Continued on page 18)

Photos by Bhornchai Kunalai

Thoiland's modern tapioco mills maintain plontotions to insure a steady supply of cossovo roots and also to control the quolity. Local formers still supply o share.

Cassava plants frequently reach heights of 9 feet, with rootstacks 3 feet lang.

Thailand's Tapioca Industry

helps earn vital foreign exchange

Cassava is not considered one of Thailand's major crops and yet its by-product, tapioca flour, which is extracted from the fleshy rootstock, is becoming an increasingly important foreign exchange earner. The principal market for Thai tapioca flour in recent years has been the United States and Thailand has been the major source of U.S. supply.

Thailand's exports of tapioca flour have tripled since 1954, when they were about 30,000 tons. The U.S. share, though it has fluctuated from year to year, has been well over half.

The cassava plant was originally native to Brazil, but is now being grown successfully in other tropical areas—particularly in parts of Africa and Asia. In Thailand, most cassava production is concentrated in the southeast. Until very recently it was grown in scattered plots and no accurate data were available to show the exact amount of land under cultivation. Farmers have been reluctant to plant cassava on a major scale because it depletes soil unless it is rotated with a soil-enriching crop, a practice which Thai farmers do not normally follow. According to the latest published report of the Ministry of Agriculture for the year 1957, there were 73,200 acres planted to cassava, producing 304,000 metric tons of roots, but consumption, exports, and carryover stocks that year show that actual output totaled near 425,000 tons of roots.

Currently several large tapioca flour mills are operating in the southeast. Although farmers supply a substantial share of roots for their operations, these mills, in most instances, have acquired sizable holdings which have been planted to cassava to insure a steady supply of quality roots.

Only in the last few years has modern machinery been featured in flour mills. Formerly most operations were done by hand or with crude machinery. The complicated process of washing, grinding, settling, draining, and drying used to take between 36 and 48 hours. With modern machinery, the same process now takes about 40 minutes. The average rate of extraction—20 percent—has remained the same as under the old methods.

Although three large modern mills are primarily responsible for the flour that now goes into the export market, there are hundreds of small mills scattered throughout the 125-mile area from Cholburi to Rayong along the southeast coast of the Gulf of Siam. The product of these mills is used for local consumption and no statistics are available on their production.

Above, cassovo roots ore sorted by hond and rotten spots remaved before processing. Below, the finished praduct—tapioco flour—is packed for export trade.

A Year of Convertibility

World trade has risen and many countries have benefited from restoring their currencies to partial convertibility, but deep-rooted barriers still block the way to freer world trade.

By Dale K. Vining
International Monetary Branch
Foreign Agricultural Service

At the beginning of 1959, 14 Western European countries[1] made their currencies convertible to nonresident earners. Fifteen other countries,[2] mostly in the Sterling or French franc monetary areas, also adjusted their exchange controls. This move was perhaps the most important single development in the past decade in the field of foreign exchange and trade.

In the year following this action many countries have felt its beneficial effect. Not one country has suffered as a result of restoring partial convertibility. Quite the contrary happened. Foreign economies prospered, and trade and gold and dollar reserves increased during 1959.

Currency convertibility in itself does not expand production or trade. Nor does it cause increases in foreign reserves of gold and dollars. Market factors, such as supply and demand and price, determine volume of trade, while gold and dollar reserves respond to a country's balance of payments and receipts.

World's Reserves Rose

During the first 9 months of 1959 total gold and dollar assets of foreign countries increased to a total of $36.3 billion, a gain of $2.8 billion. Gold and dollar holdings of international institutions at $5.6 billion almost doubled, reflecting payments by member countries of the International Monetary Fund (IMF) to meet their recently enlarged subscription quotas.

During 1959 most of the Western European countries either continued to strengthen or to consolidate their financial position. In the early part of 1959 many countries achieved relatively stable prices as a result of earlier fiscal and monetary measures and of lower import prices for raw materials and most foodstuffs. These conditions had a very favorable effect on Europe's balance of payments.

In the first 9 months of 1959 Western European countries added almost $2 billion to their gold and dollar reserves. On September 30 their total gold and dollar holdings amounted to $23.7 billion, almost three times as large as a decade ago. The growth of reserves would have been larger last year except that most of these countries made gold transfers to the International Monetary Fund to meet their recently enlarged subscriptions. Others repaid earlier borrowings. The United Kingdom, for example, repaid $212 million of its IMF drawing and $250 million to the Export-Import Bank.

Not every country shared these gains. The reserve position of Belgium and Denmark moved slightly downward and West Germany's gold and dollar (public and private) reserves declined $357 million. The German decline was caused in part by payment of its IMF obligation and in part by outflow of short-term investment capital. West Germany's trade surplus continued, but at a lesser rate than that in 1958.

France and Italy made the most notable gains. In the 9-month period French gold and dollar reserves increased $931 million to a total of $2.1 billion. This was slightly less than the alltime high at the end of 1955. Italy's reserves increased $750 million and at $2,959 million became the fourth largest foreign holdings, surpassing those of Switzerland.

The decline in export earnings of the nonindustrialized countries, which began early in 1957, ended in the latter part of 1958. In 1959 their sales increased to the United States, Japan, and Canada, and later to Western Europe. Increased export earnings and reduced import expenditures served to bring about an upturn in their reserves, and by mid-1959 purchases of primary commodities by industrialized countries were increasing.

The net reserve gains of this group of countries were offset in part by the losses of Venezuela and Cuba. Argentina, since instituting monetary reforms in January 1959, increased its gold and dollar holdings over 50 percent. Colombia, Chile, Peru, Spain, and Turkey all reversed the downward decline in reserves, and, as the year closed, reserves were increasing. A number of Asian countries—India, Pakistan, Burma, among others—also experienced favorable trends in their foreign exchange positions in 1959.

World Trade Expanded

World trade turned upward in 1959 in response to increased import demand facilitated by currency convertibility and a relaxation of import restrictions.

Total world exports are estimated to be in excess of $98 billion for the year. This would be $2 billion larger than 1958 but still below the record of $101 billion in 1957.

This resurgence of trade resulted from a number of things. Foremost was the economic revival of the United States. Sustained high demand expanded U.S. merchandise imports to a new high of over $15.2 billion.

Economic conditions in Western Europe also played an important role in 1959 trade developments. Demand for raw and semifinished materials strengthened appreciably because of renewed expansion in industrial production. The revival of the textile industry in 1959 and competitive pricing resulted in large purchases of U.S. cotton toward the year's end.

The appearance of wage and price pressures in the fall of 1959, however,

[1] Austria, Belgium, Denmark, Finland, France, West Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, and the United Kingdom. Greece followed suit in May 1959. Switzerland's currency was already convertible.

[2] Australia, Burma, Ceylon, Ghana, India, Jordan, Libya, Malaya, New Zealand, Pakistan, Sudan, Union of South Africa, Morocco, Tunisia, and Iraq.

caused some important European countries to slow down the rate of economic activity. West Germany, for example, raised its central bank discount rate as did the Netherlands and Belgium. Denmark increased the discount rate to 5 percent because imports were increasing at an alarming rate.

And finally, increased demand for primary-type commodities and an improvement in the supply position brought about an upward trend in the prices of many of these commodities. Prices of rubber, tin, copper, wool, and butter all moved upward in 1959. However, prices of some commodities remained depressed, and these were mainly agricultural items, including coffee, cotton, sugar, and rice. Nevertheless, both value and volume of the exports of primary producing countries tended to increase.

Some Restrictions Reduced

The most important benefit to the United States from European currency convertibility is that it removes the balance of payments (financial) justification for maintaining discriminatory restrictions against purchases of dollar goods. In recognition of this changed situation the International Monetary Fund in October 1959 adopted a unanimous decision regarding discrimination for balance of payments reasons. It said in part:

"Recent international financial developments have established an environment favorable to the elimination of discrimination for balance of payments reasons. There has been a substantial improvement in the reserve position of the industrial countries in particular and widespread moves to external convertibility have taken place.

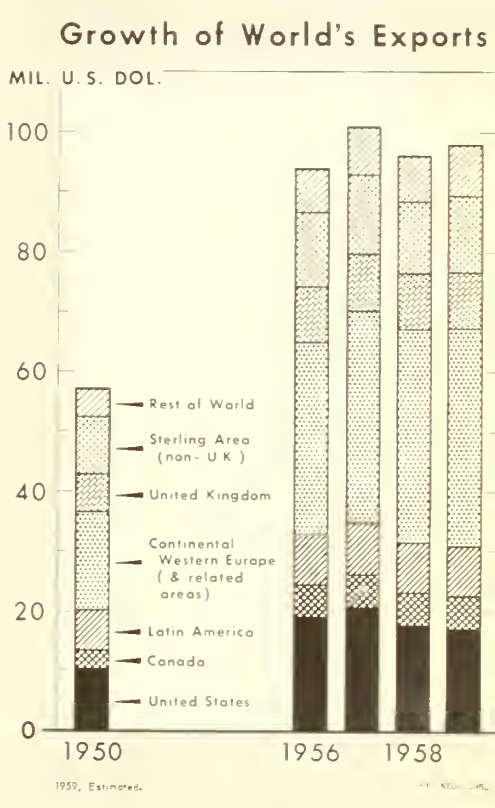
"Under these circumstances, the Fund considers that there is no longer any balance of payments justification for discrimination by members whose current receipts are largely in external convertible currencies. However, the Fund recognizes that where such discriminatory restrictions have been long maintained, a reasonable amount of time may be needed to fully eliminate them. But this time should be short and members will be expected to proceed with all feasible speed in eliminating discrimination against member countries, including that arising from bilateralism."

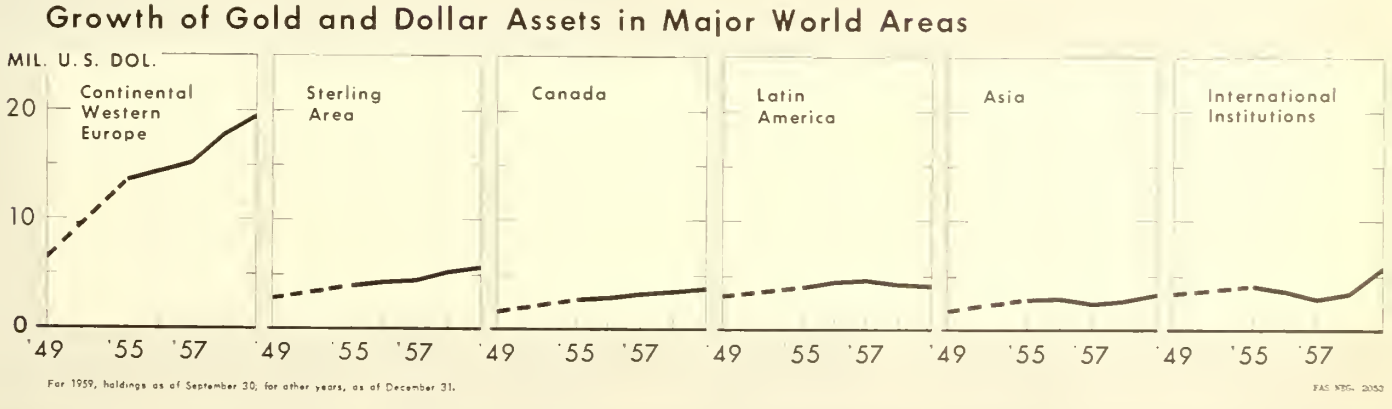
Many countries in the past year removed some restrictions and eased discriminatory treatment of U.S. exports. Agricultural commodities have shared in this, although by no means to the extent of industrial materials and manufactured goods. The United Kingdom, for example, freed from import quotas such items as fresh, frozen, and canned vegetables, honey, meat (other than pork), canned poultry, fresh oranges, lemons, tangerines, dried fruit, and fruit juices (other than grapefruit and orange). Austria, among others, freed oilseeds; Australia, raw cotton; Sweden, leaf and smoking tobacco; and Rhodesia and Nyasaland, meat and wheat flour, canned fruits and vegetables.

Yet, in spite of recent progress in freeing payments and trade, certain restrictions, particularly against agricultural commodities, remain. Most of these restrictions originated in a period of "dollar shortages and balance of payments difficulties, and at that time were understandable. But for the industrialized countries this is past history. Their payments position is strong; they have restored partial convertibility to their currencies; and their industrial output is the highest ever. Still they continue to restrict certain important agricultural imports.

Undoubtedly, many of the remaining controls, originally imposed to cope with balance of payments difficulties, are retained because they offer

(Continued on page 16)





East Africa Explores Possibilities Of Growing Cocoa as an Export Crop

Zanzibar's Director af Agriculture, A. K. Briant, points to o 4-yeor-old cocoo-bearing tree of the Farastero voriety. Crop promises to be o goad alternotive ta claves.

By Gordon R. Schlubatis
Agricultural Officer, Nairobi, Kenya

Throughout East Africa agricultural researchers are continuously searching for crops that can be grown profitably so as to raise the income level of farmers. Currently the spotlight is on cocoa. If cocoa can be produced on a commercial basis for export, it would not only help the farmers but would add another crop to the very limited number that these East African countries depend on for their foreign exchange earnings. Both Uganda and Tanganyika base their agricultural economy on cotton, coffee, and tea, plus sisal in Tanganyika. Zanzibar is even more limited in that it can look only to cloves and coconuts for any sizable income.

Cocoa, or cacao, as it is often called, comes from a small tree indigenous to the forests of Central and South America; but shortly before World War II, Africa took the lead in cocoa production. Today the West African countries bordering on the Gulf of Guinea export two-thirds of the world's cocoa. Ghana, for example, depends almost entirely on cocoa. Nigeria, Ivory Coast, and Cameroun are also big cocoa producers.

In East Africa cocoa has not fared so well, though an interest in production has been shown from time to time during the past 50 years. Uganda planted its first cocoa seedlings somewhere around 1900 and by 1917 was exporting small amounts; but a drop in prices in 1924 caused the plantations to be abandoned. Zanzibar and the neighboring island of Pemba record an interest in cocoa dating back to 1897 when it was introduced from Ceylon and the Seychelles.

In the past 2 or 3 years this interest in cocoa has been revised, and the question is being asked both locally and abroad as to what may be expected from cocoa as a cash crop. Experience has already shown that there are areas in East Africa where both soil and climate are suited to cocoa. Consequently some of the old plantations are now being watched and studies of their production are being made.

Furthermore, commercial plantings are now being started. Uganda issued sufficient seedlings in 1958 to plant 15 acres; by 1963 it hopes to have at least 1,000 acres developed in the more fertile part of Buganda Province. Growth has been good. Large-scale plantings have also been made at Maramba in Tanga Province of Tanganyika, and from these, one small shipment has already been made to the United Kingdom. Zanzibar, which began with small plantings of the criollo variety in 1946, is now experimenting with strains of the Amelanado and Upper Amazon types, which have been procured from Ghana.

Undoubtedly cocoa will grow in East Africa but can the countries of this area look to it as a source of income? And will they be able to compete in the world cocoa market?

It's still too early to make any predictions; yet it is interesting to note the conclusions reached by D. H. Urquhart, former Director of Agriculture, Gold Coast, in a study of the cocoa potential of Uganda and Zanzibar. He claimed that in West Africa he had seen only small areas of soil that could compare with the better soils in Uganda, and that in his opinion Uganda could develop a cocoa industry of considerable importance. He does not feel that there should be any conflict with the growing of Robusta coffee; the country could have a cocoa industry and still expand its Robusta acreage.

Both Zanzibar and Pemba also appear to have a cocoa future. Mr. Urquhart claims that the climate is suitable and that the good growth of the Forastero strain indicates that the crop has export possibilities. To him it seems to be the most promising of alternative crops and one that could become second to cloves in importance.

As for Tanganyika and Kenya, little has been done so far. Although the one cocoa plantation in Tanga Province is doing well, it seems that the area for cocoa growing is very limited; and, in any event, cocoa would be in competition with coffee for growing space. Kenya has done little to explore its cocoa-growing potential. Some underdeveloped river bottom areas may eventually prove suitable, but at the present time the country need not be considered as a potential producer of cocoa.

Tanganyika's African Farmers Grow Cotton as a Cash Crop

Throughout the heart of Africa, large European-owned plantations exist side by side with small family farms that provide their African owners with a bare living. This subsistence agriculture is a millstone around the neck of the African countries which today are fostering hopes of a better life. Yet sometimes the crops cultivated on these small African-owned farms move out of the subsistence level into cash crops. Uganda farmers in less than 10 years have grown prosperous with their Robusta coffee; and in both Uganda and Tanganyika cotton has made an important contribution to the territory's economy.

Tanganyika produces some 140,000 bales of cotton a year, most of it in the area south of Lake Victoria. Acreage is limited to what can be cultivated by hand and carried to market by the farmer's family. Even so, cotton production is mounting, and the American farmer, with whose cotton it competes, can expect to find more of it in world markets as time goes on. The territory has large areas lying idle that are suitable for cotton growing, but it needs low-cost field power and better transportation.

Photos by Gordon R. Schlubatis

Above, farmer picks cottan by hand in Tanganyika; beiaw, sorting day's harvest near family thatched hut.

Heod loods of cottan are often carried 5 miles to buying centers. Until better transportotion con be provided, farmers are reluctant to boast praductian despite cash return.

Left, cottan is bought an grade as determined by an agricultural department agent. Below, well-designed and -operated ginneries use roller-type gins almast exclusively in the Lake Province.

The New Lo

Tropical Africa is on the move. New nations are springing up, new political communities are being formed, and great masses of people are trying to adjust to our modern world. But bright as the picture is, there are still hurdles that cannot be bypassed, particularly in agriculture.

By Afif I. Tannous
Africa and Middle East Analysis Branch
Foreign Agricultural Service

World Bank

Starting its long journey to Africa from a British port this modern locomative will run an an expanded railway network.

East African Railways & Harbours, Nairobi

Right, manual labor is replaced by mechanization in this modern grain warehouse in Nakuru, Kenya.

Africa below the Sahara is now going through a crucial stage in its history. Under the impact of a rapidly swelling wave of nationalism, Sudan, Ghana, Guinea, and Cameroun have gained political independence, and Somalia and Nigeria are slated for it this year. All of France's former territories—except Guinea—are now autonomous republics within the French Community. The Belgian Congo has been promised self-government and steady progress in this direction is being made in East Africa.

From these dramatic national developments emerges a grave challenge for Africa on the one hand, and for the United States and the rest of the Free World on the other. Agriculture predominates in these African countries, both for subsistence and trade, with mineral resources second and manufacturing industries a poor third. Yet there is a determined effort to change this traditional pattern by putting more stress on industrial development. The objective, of course, is to stabilize the economies on broader bases and thus make it possible for the people to enjoy higher levels of living. But to obtain the foreign exchange for industrial growth the region will continue to depend on its traditional agricultural and mineral exports.

Judging from what has happened, one is encouraged to believe that this challenge will be met successfully. Tortuous paths will be followed in some cases, and there will be both minor and major setbacks. The urge to develop too rapidly for political reasons could impair sound economic judgment. Preoccupation with the tangible physical resources could obscure the critical role of the human element. And the great need for foreign exchange might encourage too rapid expansion of farm output, without due regard for markets.

Yet despite these possible dangers, the picture is both bright and promising. The principles and techniques of sound economic development will prevail in the long run. But the region will need substantial aid from abroad—grants, loans, or investment.

Agricultural Mission

Last fall I made a 7-week trip through the heart of Africa. Starting with Nigeria, I traveled through Ghana, the Belgian Congo, Ruanda Urundi, Kenya, Ethiopia, and Sudan. My mission was to observe and appraise the area's agriculture—where it is today and where it is going. Yet one can hardly go through these countries without being conscious of the political pendulum and the way it is

in Tropical Africa

A common sight in Africa today are the political rallies. Below, large crowds cheer Ghana's Prime Minister as he moves from one meeting to another on a visit to Kumasi.

Ghana Information Service

swinging, the urge to industrialize, and, above all, the ancient tribal traditions that must give way if modern, self-reliant states are to evolve.

What impressed me most was the vast amount of hand labor used to produce the great commercial crops of cocoa, palm oils, peanuts, coffee, and cotton as well as the basic food crops of cassava, yams, corn, and sorghums. It is hard to believe until you see it that such extensive agriculture is produced almost entirely by hand, with the aid of the ancient hoe and a few other crude implements. No animal power is used in most of the countries, and little machinery.

This will change. Under the impact of economic development, it looks as though the African farmer is going to make the jump from hoe to mechanized farming, bypassing the animal-power stage in most cases. Personally, I see no reason why the African of the bush, who is now driving the automobile and the bulldozer, cannot learn to handle the tractor and the harvester. A rapid transition is likely to come in the next 10 years and, when it does, it will result in greatly increased output of the major subsistence and export crops of Tropical Africa.

Another feature of life in this region which impressed me as basically significant for future social-economic development is the emancipated status of women. They stand side by side with men on all levels. I saw women producing the crops, carrying them to market on their heads, operating machinery in factories, selling in department stores, and acquiring higher education. African women have always done much of the farm work, so it is only natural that they should move up into the higher occupational levels. But for these developing countries, this has a great advantage. It means that they will benefit from the talents of total human resources and can move more rapidly than those countries where women have been segregated and retarded.

Old Concept Changed

As I traveled through the area I had to modify my old concept of Tropical Africa as the land of hot and humid bush and savannah. I discovered the pleasant highlands of Ruanda Urundi, Uganda, and Kenya, and the roof of Africa in Ethiopia where an extensive plateau stretches at altitudes up to 9,000 feet. The potential development of these high tropics, with their magnificent climate and good soils, is indeed promising.

Ethiopia particularly seemed to me the hidden and lost land of promise. Its ancient system of agriculture has endured throughout the centuries, preserving the soil and the livestock and maintaining the people at healthy subsistence levels. And even in recent years Ethiopia has had little contact with the West, so that only now is it beginning to emerge from its ancient social-economic pattern. If it succeeds, it will achieve a break-through in crop production, water use, and livestock development.

In nearly all of the countries visited the traditional agricultural base is being developed systematically, but I also found strong industrial trends. Nigeria, with its 35 million people, illustrates this balanced development on a broad agricultural-industrial base. Here they have successfully exploited 5 major export crops—cocoa, palm oils, peanuts, cotton, and rubber. At the same time, they have built cigarette factories, textile mills, cement, oil-processing, and juice-canning plants, and several other light industries. They are now working on a power and irrigation scheme on the Niger, are expanding oil explorations, and are planning to industrialize their iron ore. African labor is now running these operations, and even African management is becoming more common. I see no reason why this trend toward an agricultural-industrial balance should not continue throughout the region.

The New Look in Tropical Africa

Tropical Africa is on the move. New nations are springing up, new political communities are being formed, and great masses of people are trying to adjust to our modern world. But bright as the picture is, there are still hurdles that cannot be bypassed, particularly in agriculture.

By Afif I. Tannous
Africa and Middle East Analysis Branch
Foreign Agricultural Service

World Bank

Starting its long journey to Africa from a British port this modern locomotive will run on an expanded railway network.

East African Railways & Harbours, Nairobi

Right, manual labor is replaced by mechanization in this modern grain warehouse in Nakuru, Kenya.

Africa below the Sahara is now going through a crucial stage in its history. Under the impact of a rapidly swelling wave of nationalism, Sudan, Ghana, Guinea, and Cameroun have gained political independence, and Somalia and Nigeria are slated for it this year. All of France's former territories—except Guinea—are now autonomous republics within the French Community. The Belgian Congo has been promised self-government and steady progress in this direction is being made in East Africa.

From these dramatic national developments emerges a grave challenge for Africa on the one hand, and for the United States and the rest of the Free World on the other. Agriculture predominates in these African countries, both for subsistence and trade, with mineral resources second and manufacturing industries a poor third. Yet there is a determined effort to change this traditional pattern by putting more stress on industrial development. The objective, of course, is to stabilize the economies on broader bases and thus make it possible for the people to enjoy higher levels of living. But to obtain the foreign exchange for industrial growth the region will continue to depend on its traditional agricultural and mineral exports.

Judging from what has happened, one is encouraged to believe that this challenge will be met successfully. Tortuous paths will be followed in some cases, and there will be both minor and major setbacks. The urge to develop too rapidly for political reasons could impair sound economic judgment. Preoccupation with the tangible physical resources could obscure the critical role of the human element. And the great need for foreign exchange might encourage too rapid expansion of farm output, without due regard for markets.

Yet despite these possible dangers, the picture is both bright and promising. The principles and techniques of sound economic development will prevail in the long run. But the region will need substantial aid from abroad—grants, loans, or investment.

Agricultural Mission

Last fall I made a 7-week trip through the heart of Africa. Starting with Nigeria, I traveled through Ghana, the Belgian Congo, Ruanda Urundi, Kenya, Ethiopa, and Sudan. My mission was to observe and appraise the area's agriculture—where it is today and where it is going. Yet one can hardly go through these countries without being conscious of the political pendulum and the way it is swinging, the urge to industrialize, and, above all, the ancient tribal traditions that must give way if modern, self-reliant states are to evolve.

A common sight in Africa today are the political rallies. Below, large crowds cheer Ghana's Prime Minister as he moves from one meeting to another on a visit to Kumasi.

Ghana Information Service

What impressed me most was the vast amount of hand labor used to produce the great commercial crops of cocoa, palm oils, peanuts, coffee, and cotton as well as the basic food crops of cassava, yams, corn, and sorghums. It is hard to believe until you see it that such extensive agriculture is produced almost entirely by hand, with the aid of the ancient hoe and a few other crude implements. No animal power is used in most of the countries, and little machinery.

This will change. Under the impact of economic development, it looks as though the African farmer is going to make the jump from hoe to mechanized farming, bypassing the animal-power stage in most cases. Personally, I see no reason why the African of the bush, who is now driving the automobile and the bulldozer, cannot learn to handle the tractor and the harvester. A rapid transition is likely to come in the next 10 years and, when it does, it will result in greatly increased output of the major subsistence and export crops of Tropical Africa.

Another feature of life in this region which impressed me as basically significant for future social-economic development is the emancipated status of women. They stand side by side with men on all levels. I saw women producing the crops, carrying them to market on their heads, operating machinery in factories, selling in department stores, and acquiring higher education. African women have always done much of the farm work, so it is only natural that they should move up into the higher occupational levels. But for these developing countries, this has a great advantage. It means that they will benefit from the talents of total human resources and can move more rapidly than those countries where women have been segregated and retarded.

Old Concept Changed

As I traveled through the area I had to modify my old concept of Tropical Africa as the land of hot and humid bush and savannah. I discovered the pleasant highlands of Ruanda Urundi, Uganda, and Kenya, and the roof of Africa in Ethiopia where an extensive plateau stretches at altitudes up to 9,000 feet. The potential development of these high tropics, with their magnificent climate and good soils, is indeed promising.

Ethiopia particularly seemed to me the hidden and lost land of promise. Its ancient system of agriculture has endured throughout the centuries, preserving the soil and the livestock and maintaining the people at healthy subsistence levels. And even in recent years Ethiopia has had little contact with the West, so that only now is it beginning to emerge from its ancient social-economic pattern. If it succeeds, it will achieve a break-through in crop production, water use, and livestock development.

In nearly all of the countries visited the traditional agricultural base is being developed systematically, but I also found strong industrial trends. Nigeria, with its 35 million people, illustrates this balanced development on a broad agricultural-industrial base. Here they have successfully exploited 5 major export crops—cocoa, palm oils, peanuts, cotton, and rubber. At the same time, they have built cigarette factories, textile mills, cement, oil-processing, and juice-canning plants, and several other light industries. They are now working on a power and irrigation scheme on the Niger, are expanding oil explorations, and are planning to industrialize their iron ore. African labor is now running these operations, and even African management is becoming more common. I see no reason why this trend toward an agricultural-industrial balance should not continue throughout the region.

Colonial Legacy

There was another feature that I felt very strongly, and that is the legacy of sound, basic development in agriculture, industry, and public administration that the colonial system will pass on to these new nations or autonomous territories. I saw unmistakable manifestations of this legacy in each of the countries I visited. I saw it in the form of effectively functioning government departments for various social and economic services, in technical schools, colleges, agricultural experiment stations, pest and disease control, and transportation systems. One should not minimize either the achievements of private enterprise from abroad; in many fields it has blazed the trail.

The Belgian Congo is a good example. The authorities in this vast territory—it's as large as the United States east of the Mississippi—have laid solid foundations for agricultural expansion in all of the provinces. The essence of the system is the dynamic integration of four organizations: The regular Department of Agriculture, with the usual central and field services; a semi-independent research institute, also with branch centers in the provinces; the paysannat system, designed to rationalize tribal agriculture; and private enterprise, both individual and corporate. Much has been achieved as a result of this integrated approach. But here, and in other African countries, the important fact is that as nationalism comes into its own and the leaders take a solid look at the situation, they will find themselves heirs to functioning systems and to solid bases for further economic growth.

Obstacles in the Path

After pointing out the bright spots in the picture, it would be an oversight to ignore or minimize the big hurdles these countries must clear before they can realize their great economic potential. As I moved from one country to another I became more aware of these obstacles, particularly of transportation, which is a very weak link in the region's economic structure.

Roads and railroads are still scarce, so that most of the crops are moved on human head and back over long distances. Extensive areas that are potentially productive are not used because they have no transportation outlets. For example, development of the great livestock resources of Ethiopia and Sudan is blocked for this very reason. And in Jimma, center of the Arabica coffee area of the Ethiopian Plateau, I was told that the crop is sometimes transported by air.

Another big gap in the economic structure is created by the scarcity of trained technical and administrative personnel. This gap does not show in the old pattern of subsistence economy; nor does it show as long as colonial officials are there to shoulder the task. It looms large and threatening, however, when the economy is commercialized and when native leadership takes over from the colonial system. Ghana, Ethiopia, and Sudan are now struggling with this problem, and others will soon face it. Nigeria, observing what has happened in neighboring countries, already is trying to retain as many colonial administrators and technicians as possible.

Prevailing land tenure systems constitute a third major obstacle to agricultural progress in most of the region. These systems are varied and complex, rooted deep in the economic, social, and religious patterns of the tribal groups. They function well under subsistence conditions, but are becoming rapidly outmoded.

In almost every country or territory, the authorities are showing increasing concern about the need for basic changes in this fundamental agrarian institution—the relation of man to land—and some are now applying corrective measures. Kenya, for instance, has successfully consolidated the holdings of a large number of African farmers, and hopes to finish the task for the whole territory in a few years. Nigeria is trying, among other things, cooperative settlement in newly cleared areas of the bush. The Emperor of Ethiopia has spoken out for land distribution and, in the Sudan, with its famous Gezira Scheme, a unique agrarian organization has developed involving equitable distribution of land and revenue. Nevertheless, these are relatively minor attempts to solve the tenure problem. Much more needs to be done.

Search for Markets

A fourth problem that I found increasingly puzzling to the authorities, and the farmers too, is where to find profitable markets for increased production. The coffee producers of Belgian Congo and Ruanda Urundi are aware of the difficult world market situation; yet they are going ahead with a steady annual increase in output, depending on superior quality and efficient grading and marketing systems to carry them through. The coffee producers of Kenya and Uganda are also boosting production; Ethiopia is trying to; and Sudan, in its eagerness to diversify agriculture, is looking in that direction. But they are all fearful of the danger of adding to the supply.

Certainly the great livestock resources of Ethiopia and Sudan—mainly cattle and sheep—could be raised to much higher levels of production, but the dilemma is what to do with the products. Both countries are now seeking markets in nearby areas.

Also, there are enormous rainfed areas and potentially irrigable areas in northern Nigeria, Congo, Uganda, Kenya, Ethiopia, and Sudan, where cotton production could be multiplied three or four times the current output. But can these countries run the risk of such an expansion in the face of an oversupplied world cotton market? And if not coffee or cotton or grains or livestock, then what?

This question of markets is one that Tropical Africa will be concerned with more and more as time goes on. Alone, it cannot develop an adequate answer. The situation calls for a greater cooperative effort by the United States and the rest of the Free World—an integrated, rational approach to trade and aid.

Finally, the most serious issue for all concerned arises from the reality—which is often obscured by political changes at the top level—that Tropical Africa is predominantly a tribal Africa. Of the 145 million native Africans, not more than 5 million are urbanized; the rest are still close to bush life. How to move this great mass securely on to the path of economic growth is the gravest task yet shouldered by African leadership.

Courtesy British Information Service

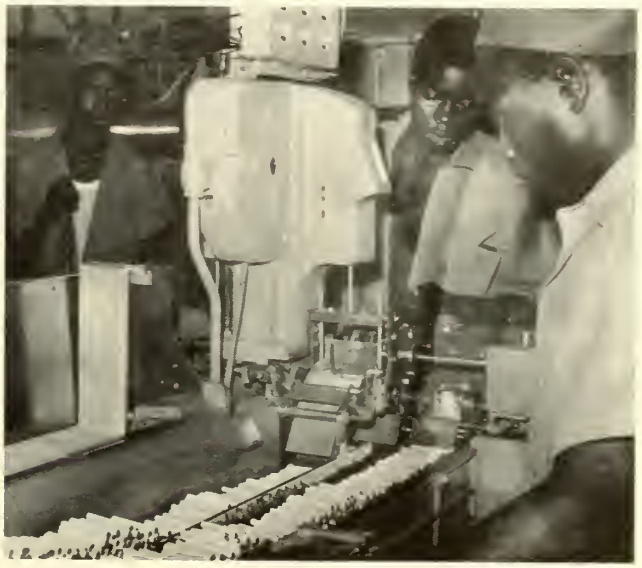
Left, Northern Nigeria's newest and largest cigarette factory is helping to change the pattern of imports by stimulating domestic production. Below, field of dark air-cured tobacco, which accounts for most of output.

Nigeria's Changing Tobacco Industry Now Stresses Cigarette Production

In recent years, Nigeria's tobacco industry has been characterized by change. Nigerians, like many other people, are smoking more cigarettes. In the past, the country bought most of its cigarettes from the United Kingdom. However, since 1950 as domestic manufacture has increased, imports of products have fallen off and leaf purchases have risen sharply. The United States is the largest supplier of leaf to Nigeria. Leaf imports continued to climb until 1955, when they leveled off. They have averaged between 5.3 million and 5.9 million pounds in the past 3 years, with the U.S. share 3.6–4 million.

Nigeria grows 20-25 million pounds of tobacco annually. Most of it is dark air-cured. Nigerian producers are growing substantially increasing quantities of light air-cured, and flue-cured, but U.S. high quality flue-cured will still be needed by the industry.

Below, cigarettes made from home-grown leaf and flue-cured tobaccos, mostly imparted. Right, tobacco is redried for baling.



Beauty From Abroad

(Continued from page 4)

marketed in Canada, Cuba, Singapore, Sweden, and singularly, in the Netherlands and Japan. In 1958 the United States shipped 27,000 bulbs to the Netherlands. Canada and Cuba are also important buyers of our cut flowers, ferns, and foliage; and Canada takes most of our exported nursery stock, but Mexico, West Germany, Belgium, and the Bahamas usually take sizable amounts too.

Strict Control

This international trade in plants, bulbs, and flowers is surprising in view of the controls imposed upon it by most importing and exporting countries. Permits issued by the U.S. Department of Agriculture are required in advance of any importations; and these signify the conditions under which the material may be brought in without endangering American agriculture. Since 1951 USDA agents have been stationed in Europe to inspect bulbs before shipment.

All soil of foreign origin is strictly prohibited. Also, certain species of plants are prohibited, whereas other types of plants may be admitted for observation over a prescribed growing period. To further reduce the chance of pest introduction, forest trees, species of plants used for understocks, and woody ornamental plants that grow true from seed may be imported only as seeds, with a few minor exceptions. And all other plants and plant products must be inspected and treated when they come in to assure their freedom from pests.

Not all horticulturists have favored this wide interchange of plants. In 1879, Charles Pickering, in his *Chronological History of Plants*, took a rather pessimistic view of it when he wrote: "In the distribution of species over the Globe, the order of nature has been obscured through the interference of man. He has transported animals and plants to countries where they were previously unknown; extirpating the forest and cultivating the soil, until at length the face of the Globe itself is changed." Few of us today would be sympathetic with Pickering's views—especially when we look at America's lovely gardens.

A Year of Convertibility

(Continued from page 9)

protection for domestic farm producers. Deciduous fruits, such as fresh apples and pears, provide a good example of this. Virtually every country, even those with the highest degree of trade liberalization, restricts apples and pears. In some instances they allow free entry in certain periods of the year when locally produced supplies are not on the market. Others maintain a virtual embargo.

Some industrialized countries discriminate on imports in order to promote their exports—"You give me preference and I'll do likewise." This type of bilateralism is still important in today's agricultural trade picture. In most cases these trading arrangements are discriminatory in that each trading partner must restrict the entry of commodities from a third supply country in order to implement the terms of a bilateral agreement.

Furthermore, tariffs are again emerging as an impediment to the free flow of trade. Although a foreign country liberalizes a certain agricultural item, the tariff rate on that item in some instances is so high as to limit its entry into foreign markets. A general lowering of such barriers will be an important objective of the GATT tariff negotiating conference, now scheduled to begin in September 1960, in Geneva.

Freer Trade Policies

With the uplifting effect that currency convertibility and the progressive lowering of trade barriers has had on world trade—and also on the economies of the countries involved—most of these agricultural restrictions are becoming increasingly difficult to explain for balance of payments reasons. (Many of them, as mentioned, stem from agricultural protectionism and from national policies of bilateral trade.) Moreover, 1960 appears to promise further economic advances for both industrialized and newly developing countries, and consequently, an upward rise in world trade. Countries which have achieved considerable liquidity in their exchange situation can now support freer trade policies.

In this situation, U.S. agriculture will have its best opportunity in many years to nourish an environment of nondiscriminatory trade. Such an environment, in turn, contributes to a favorable climate for the expansion of agricultural exports. To this end, the United States is vigorously pressing its policy calling for the elimination of trade restrictions through the General Agreement on Tariffs and Trade, the International Monetary Fund, and other channels. American agriculture has a big stake in this effort.

United States Selling More Poultry to West Germany

The United States shipped over 45 million pounds of frozen poultry to West Germany in 1959, more than six times the quantity exported in 1958. The main reason for this sharp expansion in sales was increased demand by the German people. According to German trade estimates, poultry consumption rose from 6 pounds per person in 1958 to 9 pounds in 1959. This, in turn, was attributed mainly to lower prices for poultry and increasingly higher prices for red meat. Germany is still limiting imports of chicken from the dollar area.

Other factors that helped to popularize poultry were the growing availability of well-dressed, well-packed, oven-ready birds and the increasing number of grocers and butchers offering them for sale.

Pakistan and India Sign New Trade Pact

Pakistan and India have signed a limited trade and payments agreement for the exchange of commodities totaling $4.2 million in each direction. Both countries hope that this trade will be in addition to the existing level of exchange which totals about $30 million annually.

Under the new pact, Pakistan will ship about 25,000 bales of cotton to India. This is the first time since 1950 that India has agreed to buy Pakistani cotton. Other items to be exported by Pakistan include fresh fruit, eggs, and poultry. India, in return, will send bidi tobacco leaves, fresh fruits, vegetables, and seed potatoes to Pakistan.

Soviets Plan to Triple Output of Mineral Fertilizers by 1965

By G. Stanley Brawn
Foreign Agricultural Analysis
Foreign Agricultural Service

Control figures for the Soviet Union's current Seven Year Plan call for a tripling of the 1958 output and use of mineral fertilizer by 1965. This planned expansion is necessitated by the drive to attain self-sufficiency in agricultural commodities, and by the expressed Soviet goal of improving the USSR's export capability for agricultural commodities. Success in the fertilizer program will be a key to achieving the extremely ambitious goal of increasing gross agricultural production by 70 percent during the years 1959-65.

The planned growth of agricultural output during the current Seven Year Plan period is to be based on expansion of crop acreage and high crop yields. In recent years much of the growth in agricultural production has resulted primarily from expansion of crop acreage. Although some additional acreage is to be brought into production during the current Plan period, the total amount will be limited by the scarcity of suitable land and the high costs of reclamation. Therefore, increasing production by raising yields is assuming greater importance in Soviet planning. Improved varieties and better agro-techniques are to help boost average yields, but considered even more important is mineral fertilizer—though some attention will be given to organic fertilizer.

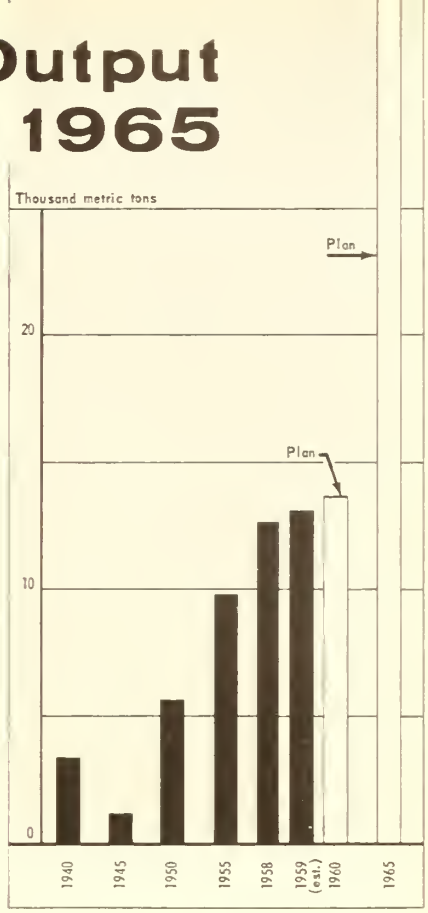
Fertilizer Expansion

According to the control figures of the Seven Year Plan, the production of mineral fertilizer in the USSR is to increase from 12.4 million metric tons in 1958 to 35.0 million metric tons in 1965.[1] The output will rise rather modestly during the early years of the Plan period. By 1965, however, the annual increment to production will be more than four times as great as in the early years, as new factories are brought into production and existing factories modernized. New factories are to be constructed throughout the principal agricultural areas of the country, not only on the basis of the location of raw materials and energy, but also on the basis of the planned regional fertilizer consumption patterns.

Natural gas is to be used extensively as a raw material for the production of nitrogen fertilizer in the north and northwest regions of the RSFSR, as well as in Belorussia, the Baltic Republics, and in the North Caucasus. The construction of potash and superphosphate plants in these areas will make available the fertilizer necessary to meet local requirements. Previously, only limited quantities of fertilizer were produced in these areas. In the Central Black Earth and Central Non-Black Earth zones, existing plants for the production of nitrogenous fertilizers, superphosphate, and ground phosphate rock will be expanded significantly, and at the same time, new plants are to be constructed. The exploitation of rich potash deposits in the Urals, one of the centers of fertilizer production in the Soviet Union, is to be stepped up. In the Ukraine, which is second in fertilizer production only to the RSFSR, few new plants are to be constructed, but existing enterprises are to be reconstructed and expanded.

Types of Fertilizer

As in the past, most of the output will be in the form of low-quality straight fertilizers. It has been reported, however, that "to free the transport system from the shipping of useless ballast in low-analysis fertilizers" the production of concentrated



fertilizers will be initiated. Also, the production of granulated nitrogen and phosphorous fertilizers will be expanded. Although commercial production of urea is to be initiated during this period, the emphasis seems to be on its use as a livestock feed, with only limited quantities of urea being used as fertilizer. There are no indications that the Soviets intend to introduce the production of complex fertilizers on a commercial scale. However, the Soviets have indicated that they intend to produce factory-mixed fertilizers, which should result in more economic utilization on the farms.

The use of liquid nitrogen fertilizers (anhydrous ammonia and aqueous-ammonia) in the USSR has been limited largely to the irrigated cotton-growing regions of Central Asia. However, the use of these fertilizers probably will expand considerably during the period under consideration. The Russians claim that these fertilizers not only are cheaper to transport, store, and introduce into the soil than are solid mineral fertilizers, but also that plants for their production can be built quicker and cheaper.

[1] References to mineral fertilizer throughout this article are expressed in terms of actual fertilizer, not in terms of plant nutrients (N, P_2O_5, and K_2O). In Soviet statistical practice, the production of nitrogen fertilizer is reported in terms of ammonium sulphate (20.5% N), phosphate fertilizer at 18.7% phosphoric anhydride (P_2O_5), and potash fertilizer as 41.6% potassium oxide (K_2O). The production of ground phosphate rock is expressed as standard content of 19% P_2O_5.

Shifts in Consumption

Farm use of mineral fertilizer is scheduled to increase from 10.6 million metric tons in 1958 to 31.3 million metric tons in 1965. Up to the present time, mineral fertilizer in the Soviet Union has been used almost exclusively on the industrial crops—cotton, flax, sugar beets, and such—with as much as one-third of the total available nitrogen being allocated to cotton alone. With the increased availability of mineral fertilizer, the utilization pattern will change; however, priority will still be given to the industrial crops.

Delivery of fertilizer to the cotton-growing republics during the Plan period will increase less than will deliveries to other republics, as fertilizer requirements for cotton have been largely fulfilled. Intentions are to allocate a total of 9.0 million metric tons of mineral fertilizer to agriculture for use on technical crops in 1965. According to the Soviets, this will assure the planned yields of these crops at the end of the Plan period.

The greatest shift in the use of mineral fertilizer is the planned allocation of 10.0 million metric tons for the fertilization of grain. It will be used in areas of adequate rainfall, chiefly in European USSR, where it can be used most effectively; and much of it will be applied to corn, primarily in the Ukraine, where the Soviets are attempting to emulate the corn-hog farming system of the U.S. Corn Belt. Important acreages of the bread grains (primarily wheat) also will be fertilized. By the application of 10.0 million metric tons of fertilizer onto approximately 75 million acres of grain, the Soviets expect to increase grain production by about 30 million metric tons, or an average increase of about 15 bushels of 60 pounds per acre.

Another significant shift, to be effected by 1965, will be the use of about 6.0 million metric tons of fertilizer on forage crops. Forage crops had been accorded one of the lowest priorities in the allocation of mineral fertilizer. Then came the widely propagandized campaign to surpass the United States in the production per capita of meat, milk, and butter. Priority among crops was shifted, and during the past 4 years the acreage sown to forage crops increased by about 40 million acres. The use of 6.0 million metric tons of mineral fertilizer on forage crops is but another indication of Soviet recognition of the need to increase the traditionally poor supplies of animal feeding stuffs if the animal husbandry production goals are to be approached. The result, they believe, will be the production of enough feedstuffs for an additional 27 million metric tons of milk in 1965.

The allocation of 3.5 million metric tons of mineral fertilizer to potatoes and vegetables reportedly will permit the fertilization of 70 percent of the potato acreage and 80 percent of the vegetable acreage on collective and state farms. This, undoubtedly, represents a two-pronged Soviet program designed first, to relieve the monotony of the average Soviet diet by increasing the output of vegetables on state and collective farms; and second, to reduce the importance of the private plots, which traditionally have supplied most of the vegetables to urban consumers. The Plan also calls for the use of about 2.0 million metric tons of mineral fertilizers on fruit and tea plantations.

Handling and Storing

There is much room for improvement in the handling, storing, and application of fertilizer if the Soviet Union is to realize the full potential of its fertilizer program. The Soviet press has long carped about shortcomings in the use of fertilizer on state and collective farms. The practice of dumping fertilizer in the open, along rail sidings, and allowing it to deteriorate, as engaged in by Soviet railroads, is another blatant example of fertilizer waste. Such practices have resulted in the report that 17 percent of all fertilizer delivered to the cotton-growing regions of Central Asia is wasted; average losses of 15-20 percent are commonly reported.

Doubtful Success

Finally there is the question of whether or not the Soviet Union will achieve its fertilizer production goals by 1965. On the basis of what has happened in the past it appears most unlikely. In the Sixth Five Year Plan the mineral fertilizer goal was set at 19.6 million metric tons by 1960. In the current plan the yearly goal for 1960 was scaled down to only 13.5 million tons, despite the importance attached to greater fertilizer production.

While the Soviet Union may not triple its 1958 output of 10.6 million metric tons by the end of the Plan, certainly it will raise it considerably—probably as much as double. This amount of fertilizer would contribute substantially to the Soviet drive to raise agricultural production. But in terms of utilization per sown acre it would mean that the Soviet Union in 1965 would be using less than half the amount the United States was using 10 years earlier.

Agrarian Revolution

(Continued from page 6)

Agrarian Reform Program is likely to hinge on whether or not INRA can: (1) overcome the economic and psychological shock which has been dealt to the traditional economic structure of the country, (2) increase agricultural income at a net profit to the country, and (3) continue to have the approval of the Cuban people in accepting the controls and limitations that are now being imposed.

Cuba is a rich agricultural area with vast resources for future development, but increasing the productive capacity of the country will be difficult without adequate capital and technical know-how. Previously both were supplied mainly by the large landowners, Cubans as well as Americans. Diversifying and stepping up total agricultural production will be particularly difficult this crop year since most of INRA's present farm operations are on plantations that were already going concerns.

INRA, under authority vested in the National Agrarian Reform Law, is also rapidly taking over the functions of private commerce and trade. Its newly established Foreign Trade and Production Department has been designated as the sole exporter of tobacco and importer of potatoes, and import controls of some type are now in effect for practically all farm commodities.

TRADE FOR FEED GRAINS

By Gordon H. Lloyd
Grain Division
Foreign Agricultural Service

The volume of feed grains moving in world trade has been rising steadily in recent years. The demand for feedstuffs has been growing in deficit producing countries, and so has the ability of exporters to supply that demand. In the period 1950-54, world feed grain exports averaged 13.5 million metric tons. In 1957-58, they soared to 19.2 million tons, and last year they hit a record of 21.1 million.

Simultaneously, the U.S. share of world feed grain exports has been mounting. The 1950-54 average was 34 percent. In 1957-58, it was 44 percent, and last year, 51 percent.

The main reasons for this upsurge are improved economic conditions and greater consumer purchasing power in importing countries—plus the fact that the balance of payments situation in many countries now makes it easier for them to cover their import requirements. Gains in living levels are reflected in part by the continued upward trend in livestock numbers and the increased consumption of such high-protein foods as meat, dairy, and poultry products, especially in the more industrialized areas.

One factor, of course, has been the wider use of special export programs by the United States. Since 1954, when Public Law 480 became effective, 33 percent of U.S. feed grain exports have moved abroad under this program.

Also contributing to the growth of the feed grain trade is the emphasis on wheat production in the national policies of many grain-deficit countries. While tending to reduce a country's import needs for wheat, these policies have, in the face of growing feed grain needs, limited the rise in feedstuffs production which might otherwise have occurred.

A number of grain-exporting countries have benefited from this growth in feed grain needs; however, U.S. exports have shown by far the greatest increase. In 1958-59, U.S. shipments of feed grains totaled nearly 11 million tons, more than twice the 1950-54 average of 4.5 million. Since exportable supplies have risen most rapidly in the United States, this country has been able to supply virtually unlimited quantities at relatively constant prices.

World production of feed grains for 1959-60 is estimated at 320.1 million metric tons (figure includes corn, oats, and barley, but not grain sorghums for which foreign production data are not available). This is only slightly larger than the 319.2 million tons of last year but is 56 million above the 1950-54 average of 263 million. The small increase from last year reflects bigger corn output which offset smaller crops of oats and barley. The general 5-year increase is the result not only of stronger world demand but of higher yields per acre and the incentive of government price supports in many countries.

Indications are that the import demand for feed grains is still growing; thus, trade volume for 1959-60 appears headed for another record, probably over 23 million tons. In Western Europe, feed grain production has increased considerably but continues to remain far short of demand. Moreover, as a result of the severe drought, pasture conditions in many parts of Europe were unusually poor last summer; also, forage and root crops were below normal levels—all of this add-

ing to the need for other feeds.

Western Europe's imports of feed grains, however, cannot be expected to increase indefinitely at the rate that has prevailed over the past 4 to 5 years. Though consumer demand for livestock products is likely to remain strong, domestic production of feed grains will continue to rise, and with more help from national agricultural policies, may one day succeed in matching the rate of growth in feed requirements. But this development is some years away; all indications for the more immediate future are that Western Europe's trade in feed grains will continue to expand.

Outlook for U.S. Exports

For U.S. grain exports the outlook in fiscal year 1960 appears favorable. The tentative forecast—in million bushels, with 1959 figures in parenthesis—is: corn 235 (216); barley 110 (117); oats 30 (32); and grain sorghums 110 (95). This totals 11.6 million tons, slightly larger than the 10.9 million exported in 1958-59. Shipments of U.S. feed grains have been heavy for the first 6 months of this fiscal year and are more than 850,000 tons larger than for the same period last year.

Some European countries will have feed grains for export too. After being a net importer of over 100,000 tons of barley in 1958-59, France will have around 200,000 tons for export this year. Also, record corn crops in the Danube Basin, especially in Yugoslavia and Rumania, may mean that some of this corn will enter the Western European market.

Western Europe is the largest market for U.S. feed grains. In 1958-59, it took nearly 75 percent of the exports. Production of oats and barley in 1959 in Western Europe was nearly 2 million tons above that of the previous year. Nevertheless, because of the drought, import requirements will be substantially greater than they were in 1958-59. This, plus the additional needs resulting from growth in the livestock industry, may boost Europe's import requirements approximately 2 million tons; and therefore, it is quite possible that U.S. feed grain exports could surpass the 11.6 million tons now forecast for the year.

Maple Sirup Traded By U. S. and Canada

This month through the woodlands of the northeastern United States and Canada one of America's oldest farm industries gets under way. Taps will be driven into several million maple trees and on these buckets hung to collect the sweet-tasting sap that ends up on the breakfast table as maple sirup or in the confectioners' as maple sugar candy.

If this sugaring scene, beloved of the calendar makers, seems typically American there is good reason. The two sugar-producing maples, the rock or sugar maple and the black maple, grow only in America. Also, maple sugar is one of this country's earliest farm commodities. Both it and maple sirup were well-established items of barter among the Indians living in the Great Lakes and St. Lawrence River areas when the first settlers arrived.

For nearly a century the early pioneers followed the crude manufacturing methods they had learned from the Indians. Later they introduced iron kettles for boiling the sap. These were hung on poles in the open woods and the products made were strong in flavor and dark in color. In time, this practice gave way to the evaporating pan and the sugar house, and eventually to the modern evaporator. Today maple sugar making has become a highly organized commercial industry, both in this country and Canada.

Trade in maple sugar products is exclusively a U.S.-Canadian exchange too. In the early years of this century, the United States was the big maple sugar producer, turning out nearly 4 million gallons a year (sirup and sugar in terms of sirup), whereas Canada's output ranged around 335,000 gallons. The situation has now reversed itself. For a number of years, Canada has held the lead. Last year its sirup figure was 2,358,000 gallons, nearly twice the United States' 1,191,000. (In Canada, Quebec Province is the largest producing area; in the United States, Vermont and New York lead.)

This decline in U.S. production reflects the shortage of farm labor since World War II, for maple sugar is the only U.S. crop that must be processed on the farm before it is suitable for sale. But the U.S. taste for maple sugar, whether as sirup, candy, or as flavoring for table sirup, has not diminished; consequently, the United States usually buys about half of the Canadian crop each year, at a value of around $2.5 million. Some of this eventually goes back to Canada as blended table sirup, but little or none of it ever goes abroad.

Canada Changes Hog Price Support Plan

Since January 11, Canada has supported hog prices by direct payments to producers, rather than government purchases of pork.

Under the new system, the price of hogs and pork will be allowed to fall to the level determined by supply and demand. The difference between the national average market price and the support level will be paid to the producer. The support price is calculated on the basis of $23.65 per 100 pounds, Grade A carcass, at Toronto.

Payments to each producer will be limited to an annual maximum marketing quota of 100 Grade A or B hogs. Producers must be "bona fide" farmers, not commercial organizations; must market through federally inspected or approved plants; and must register with the Canadian Department of Agriculture. If every farmer marketing less than 100 hogs in 1959 registered, the program would cover about 90 percent of the hog producers and about 70 percent of total hog marketings.

Under the previous system, the Canadian Agricultural Stabilization Board maintained the price of hogs through pork purchases. Although this method succeeded in keeping hog prices at the support level (80 percent of the previous 10-year average price for Grade A carcasses at Toronto), large stocks were accumulated. By the end of 1959, the Board was holding about 20 million pounds of frozen pork and 100 million of canned pork, despite special marketing efforts.

National Cotton Council

The Belgian cottan industry ignores no chonce of telling people about cotton. Here, o Belgian Cottan Institute representotive talks to o class in textiles and sewing.

Belgium's Textile Industry Sees Bright Future for Cotton

Age sometimes makes industries—like people—settled in their ways. Not so the Belgian cotton industry. Well before the battle of Waterloo, it was making cotton goods for export. Yet today, though the industry's output still includes the exquisite handwork for which Belgium is famous, some of its plants rank with Europe's most modern. This adds up to a lively faith in the future of cotton.

The U.S. cotton trade has a considerable stake in the continued success of Belgium's cotton industry, for in most years the United States is Belgium's No. 1 cotton supplier. Belgians like the characteristics of U.S. upland cotton and the wide range of qualities available; and when its price is not out of line with world prices, they choose it over cottons from other sources. In Europe—usually the destination for more than half of the U.S. cotton exports—Belgium in 1957-58 and 1958-59 ranked as seventh largest customer for U.S. cotton.

Like other European textile industries, Belgium's cotton industry suffered from World War II, but its recovery rate was rapid. The textile plants, centered around Ghent and Bruges, escaped heavy bombings. Still, annual yarn output fell to only 25,000 tons by the end of the war, compared with an average of 70,000 in 1937-39. But as early as 1947, it had more than surpassed prewar output, with 77,000.

Costs

Perhaps a major problem for the Belgian industry is the increasing cost of production. Among the countries of Europe, Belgium ranks high in salary levels and working conditions. Yet in 1958 the textile industry reduced its work week—with no corresponding reduction in salaries.

The industry balances these increased hourly costs by increased productivity. Even before the war, several Belgian spinning mills had begun to modernize and reorganize on a large scale. This modernization movement has spread and accelerated. One of Belgium's plants today is among the world's most modern—called by one expert "a cotton textile engineer's dream." This plant carries on the entire manufacturing process from start to finish—from opening the cotton bale to shipping the packaged retail goods. Each of its departments has the best machinery for its particular operation—some bought from the United States, some from Great Britain, and some in Belgium. Several other firms are similarly self-contained.

The industry's aim is not an increase in physical plant, but more

"Show" Studio

Above, fashion show by Belgium's "Cotton Caravon." Below, U.S. cotton housecaat scares in "Buy American" campaign.

This article is based in part on information provided by R. Henen, Director, Belgian Cotton Spinners Association.

efficient and economic operation with fewer spindles. Since the 18th century, when the first mechanical loom was purchased from England, Belgian textile engineers have watched for new manufacturing processes—and frequently improved on them. Recently, Belgian experts have devised some labor-saving and time-saving procedures that have aroused the admiration of visiting engineers.

Demand

In Belgium as elsewhere, drastic shifts in demand have marked the postwar cotton situation. The amounts and kinds of textiles the industry can sell have been subject to sudden change.

Amounts have fluctuated with the international situation, and the Belgian industry has adjusted to the needs. During the Korean emergency, when all the industry's traditional customers were clamoring for extra supplies, it managed to reach peak production in record time. Cotton yarn output jumped to 98,400 tons in 1950 and to 105,100 in 1951. As demand slackened, it fell back to 81,300 tons in 1952, but has since been about 90,000 tons except during the general European textile recession.

The kinds of textiles demanded can change with the appearance of new products from other countries, or of new fibers and blends. The wide range of Belgium's cotton textile output adapts itself well to such changes. Products range from the finest handmade lace to the heaviest canvas or duck.

Competition

Belgian spinners and weavers face vigorous competition for their own domestic markets—competition sharpened by the absence of protective tariffs. The customs duty of 4 percent ad valorem levied on imports of most cotton yarns apparently is not high enough to be considered a protective measure; and certain fine yarns come in free of duty.

Exports of textile goods are an important outlet for the Belgian industry. Belgian spinners traditionally export about 20 to 25 percent of their total yarn output. The rest is consumed by the processors of woven goods, knit goods, rugs, thread, tire fabrics, and other finished articles. These industries in turn rely heavily on exports for market outlets.

Yet competition for foreign customers is increasingly keen. Belgium's markets include both nonindustrialized and highly industrialized areas. Many less developed countries are trying to build up their own textile industries so as to reduce their need for imports. And industrialized countries are trying to produce enough cotton goods not only for their own requirements but for export sales.

The lively competition the Belgian industry faces both at home and across the borders, plus the high level of its costs, forces it to look for raw cotton at the lowest possible price consistent with quality. Belgium is not troubled by foreign exchange problems or dollar difficulties. It has a healthy export trade based on imports of raw materials and exports of finished goods, and supplemented by substantial exports of raw products from the Belgian Congo to dollar areas. Too, for the past few years Belgium has placed no import restrictions on cotton. This means that Belgian cotton importers can use any source that can give them a favorable buy.

Consumption

Belgium's cotton imports felt the effects of the textile recession. In 1957-58, cotton consumption slumped to 372,000 bales, from 450,000 the year before. But by the second half of 1958-59, the situation had begun improving. Total cotton consumption for the season was 375,000 bales; imports were nearly the same—374,000.

For 1959-60, cotton consumption should reach 400,000 bales. Spinning and weaving activity has continued high. Demand for finished goods is strong on both the domestic and export fronts, and the fairly large inventories of fabrics on hand in mid-1959 have been reduced. So have stocks of raw cotton; thus, imports in 1959-60 will probably exceed consumption.

In most years, one of Belgium's major cotton sources has been the United States. But in several recent years, Belgian interest in U.S. cotton declined. By 1955-56, the U.S. share had slipped as low as 11 percent. After July 1956, when the export sales program made U.S. cotton competitive again, Belgian imports of it rose sharply. In 1958-59, however, Belgium shifted to lower-priced growths from other countries, and the U.S. share of its imports dropped to 20 percent. Conditions this season are favorable to a substantial increase for the U.S. share: U.S. prices are competitive, U.S. supplies are ample, and exportable supplies in other countries are smaller.

Promotion

Though the fight to maintain textile export markets continues, the Belgians are now stressing increased domestic use of cotton goods. Several years ago, Belgian spinners and weavers banded together to create and support the National Cotton Institute of Belgium. In the beginning, its work was mostly public relations.

In January 1957, through funds made available under Public Law 480, the U.S. Department of Agriculture, with the cooperation of the Cotton Council International, entered into an agreement with the National Cotton Institute of Belgium to promote the use of cotton in Belgium through a coordinated program of market research, sales promotion, and general publicity. Under the agreement, USDA contributed one-half of the cost of the country program and the Belgian Institute contributed the other half. Since the program began, the total USDA contribution has been equivalent to about $166,000.

Excellent progress has been made in developing sales promotion and public relations work on cotton apparel and household articles. Newspapers and magazines are extensively used to inform the consuming public about cotton and its uses. Cotton has taken its place in high fashion. New cotton finishes and designs are forming the basis for expanding the use of cotton in women's wear, men's shirts, and many other fields. Through motion pictures, feature articles in leading magazines, fashion events, and advertising and promotion by manufacturers, wholesalers, and retailers, cotton products are gaining and maintaining the top spot among Belgium's fibers.

TRADING POST

Norwegians Importing Red Chinese Soybeans

Norwegian importers have contracted for 12,000 metric tons of soybeans from Communist China in recent months. All the beans will be delivered by the middle of this year. The price was $2.00 per long ton below the price of U.S. beans. One large importer stated that he would prefer U.S. beans if the price difference did not exceed $1.40 a ton.

The present market for soybean oil in Norway is very good. The margarine industry has been substituting it for peanut oil because the price of peanut oil is high.

UAR and Sudan Sign Trade Pact

The United Arab Republic and Sudan recently signed a 1-year trade agreement providing for a $31.6 million volume of trade. This is the first substantial trade pact between these two countries in several years. It is retroactive to July 1, 1959, and is renewable.

In addition to industrial goods, the UAR's exports to Sudan will include rice, oranges and other fruits, and a large quantity of sugar. In return, Sudan will ship livestock, pulses, grain, sesame, hides, peanuts, and cottonseed and cottonseed oil to the UAR.

Chile Encourages Imports of Meat

Chile recently suspended consular fees and other charges on imports of fresh, chilled, or frozen meat for an indefinite period. This may create opportunities for U.S. exports, especially of pork and pork products.

Chile has been looking for favorably priced meat imports to supplement its own supplies. A year ago, to improve domestic meat production and distribution, the Chilean Government removed price ceilings, slaughter quotas, and controls over the movements of meat. But the livestock industry cannot yet satisfy the increasing demand that has resulted from an improved standard of living. During the readjustment from agricultural controls, livestock and meat prices have soared.

In September, Chile removed import duties on meat from Argentina. But Argentina's own meat shortage limits the quantity it can make available for export at acceptable prices.

Yugoslavia Hopes To Sell Prunes to United States

Two Yugoslav dried prune cooperatives reportedly have signed provisional contracts to export to the United States. Each will ship 660 short tons of fruit if the two 11-ton trial shipments made in December are accepted under the U.S. Food and Drug Act.

The projected shipments will be used for juice by the U.S. importers. C.i.f. New York prices are reported as 12.7 cents a pound unpitted and 19.3 cents, pitted. More than half will be pitted and all will be washed. They will be packed in new wooden boxes containing 28 pounds net.

Guatemala Halves Imports of Lard

Guatemala's 1960 lard imports will be limited to one-half the amount entered during calendar 1959. The limitation is another in a series of government measures designed to protect local industries and conserve foreign exchange.

Guatemala bought 6.4 million pounds of U.S. lard in the first 11 months of 1959—more than double the amount imported in the corresponding period of 1958. In 1958, the United States supplied over a third of the Guatemalan market and the Netherlands supplied the rest.

Japan's Larger Rice Crops Have Changed Import Need

For the fifth consecutive year, Japan has had a rice crop every year near the alltime record crop of 1955, and this sustained high production has greatly altered the pattern of Japanese rice imports. Import volume has dropped to less than 230,000 metric tons of milled rice for 1958-59 (October-September), from a postwar high of about 1.6 million in 1953-54.

Continued production on this scale could even bring self-sufficiency in rice. However, for the time being at least, Japan is likely to continue importing between 200,000 and 300,000 tons from Southeast Asia and Mediterranean sources, to maintain its highly desirable trade with these areas. In addition, its imports may well fluctuate in years of unfavorable weather, for the current high level of rice output results from improved yields rather than major extension of acreage.

Cuba Raises Quota For Export Cattle

Cuba's Ministry of Commerce, which considers present cattle numbers to be at a record level, has raised the export quota on live cattle and beef from 400 to 1,000 head per month for an indefinite period. Unfilled amounts of the quota for any one month may be added to subsequent exports. However, the Commerce Minister may suspend exports of high-quality beef whenever the home market seems to be adversely affected.

Recently Cuba has shipped carcass beef to Venezuela, Puerto Rico, and continental United States.

New Zealand Admits Some Manufactured Tobacco

Since January 1, limited amounts of cigarettes and other manufactured tobacco products from the dollar area have been allowed to enter New Zealand under a new licensing system. These imports had been prohibited for several years. For each importer, however, there is a ceiling—his dollar-area imports cannot exceed 10 percent of the value of his total imports of tobacco products in calendar year 1956.

South Africa Looks For Tobacco Export Markets

The Union of South Africa, faced with rising tobacco stocks and a 1959 crop about 18 million pounds above what it expects to use at home, is seeking markets in other African countries and in Europe for its flue-cured and dark air-cured leaf.

One reason for the surplus is the higher excise tax on cigarettes, which cut production from 11.4 billion pieces in 1957 to 10.7 billion in 1958.

In quality, South African tobacco competes primarily with Rhodesian rather than U.S. leaf. And like Rhodesian, it would tend to displace U.S. leaf in markets where consumers are accustomed to accepting less desirable leaf in their cigarette blends. Among such markets might be Portugal, the Netherlands, and Belgium.

U.S. Facing Competition For El Salvador Market

The United States is losing ground in the El Salvador market. In the past several years, foreign competition has increasingly affected U.S. sales of lard, dairy products, and nonfarm items. Official government statistics show that the U.S. share of the market dropped from 61 percent in 1953 to 48 percent in 1958, and a further decline was expected for 1959.

El Salvador is a hard currency country and is able to buy goods freely from the most attractive market; therefore the decline in the U.S. export position is more striking than similar declines in soft currency countries which have dollar shortages. Credit for gains by foreign countries is given to aggressive salesmanship and to promotional efforts by foreign embassies located in El Salvador.

Britain May Take Less Polish Bacon

The United Kingdom has established a quota of 44.8 million pounds of Polish bacon imports during the first half of 1960. This is 9.5 million pounds less than the quota for half of 1959. The reduction is said to be a result of the British decision to allow imports of 56 million pounds of pork from North America. Bacon is Poland's principal export to the U.K.

So far the U.K. Government and a Polish trade delegation have been unable to concur on a new trade agreement, but have agreed to extend the existing pact (which was to expire at the end of 1959) until June 30, 1960. Import quotas for trade in products other than bacon were set at 50 percent of the quota established for calendar 1959, until a new agreement is reached.

West Germany Continues Variety Meat Imports

West Germany, a leading market for U.S. variety meats, has announced a new import authorization for pork livers and kidneys and beef livers from the United States and Canada.

The new authorization contains three important changes. First, a longer period for filing applications will be allowed. Second, variety meats must be from animals slaughtered not more than 60 days prior to loading for transport. And last, applications by any one firm are limited to $23,810 at one time. Applications for import licenses will be accepted until the (undisclosed) value limit is reached, but not later than March 31, 1961.

The United States shipped nearly 28 million pounds of variety meats to West Germany between January and October 1959, compared with less than 19 million in the 1958 period.